

**COMMITTEE ON ACCOUNTS, ENROLLMENT
AND REVENUE ADMINISTRATION**

May 23, 2006

4:15 PM

Chairman Pinard called the meeting to order.

The Clerk called the roll.

Present: Aldermen Pinard, Thibault, Smith and Long

Absent: Alderman DeVries

Messrs.: David Cornell, Guy Beloin, Kevin Clougherty, Leo Bernier, Sharon Wickens, Deputy City Solicitor Arnold and Maureen Cail

Chairman Pinard addressed item 3 of the agenda:

3. Communication from the Board of Assessors submitting the abatement and overlay account update.

Mr. David Cornell, Chairman of the Board of Assessors, stated you will see from the report submitted we have a breakdown as far as the cases that are still active. For 2003 we still have 26 active cases, for tax year 2004 we have 119 active cases and for 2005 we have 309 cases that are active. Additionally, below you will see the overlay balances for each year and it gives a total of a little over \$898,000. We'd certainly entertain any questions if you have any.

Alderman Smith in reference to 2003 stated I noticed you have 26 cases and they're all residential am I correct.

Mr. Cornell replied that's correct.

Alderman Smith asked what do you think the status of those I noticed that the same person represents about 22 of those cases.

Mr. Cornell stated as of the date that this was printed there were 26 active cases. We have settled some more so the actual number today would be less than the 26.

Alderman Smith stated I noticed in 3, 4 and 5 you've got a total of 154 cases and with the reval coming up it's going to be quite of an abundance but you have sufficient money in overlay to cover those years except for 2006, am I correct?

Mr. Cornell replied hopefully. Certainly, there are some unknowns there for the cases that are adjudicated...some of those are out of our control. But, if everything goes according to plan the funds in the overlay account now should pay for the liabilities that are currently expressed here.

Alderman Smith stated I noticed one is several houses I think about 20-22 and they all sent in for abatements on Roy Drive do you know what the situation is now?

Mr. Cornell replied that is a condo complex and a group of them in the condo complex have got together, filed an appeal and we're currently reviewing that to see how much merit it has.

Alderman Smith moved to accept, receive and file the report as presented by the Board of Assessors. Alderman Thibault duly seconded the motion. There being none opposed, the motion carried.

Chairman Pinard addressed item 4 of the agenda:

4. Communication from Guy Beloin, Financial Analyst II, submitting the City's Monthly Financial Statements (unaudited) for the ten months ended April 30, 2006 for FY2006.

Mr. Beloin stated unless you have anything specific that you want to talk about I can either review the summary that I submitted for the April monthly report, if you wish. The highlights of April for the expenditures are pretty much the same as they have been throughout the year. At this point, we should have about 17% left of the budget and for the most part it is around that. Risk Management at this time is \$19,000 over the liability insurance and this will be taken care of by the designated reserve. Information Systems...looks like they have 9% left but they have equipment they have purchased that they will get reimbursed by the different departments and Human Resources has about 11% left of the health insurance budget and at this point they are also carrying a deficit for the...

Mr. Kevin Clougherty, Finance Officer, interjected hold on, Guy. Just so we can give them a point of reference on what...look at page 2, if you look at page 1 the gray shaded areas...those are the items he's talking about going across.

Mr. Beloin continued by stating Building Maintenance we knew all year long that they've encumbered the full contract amount at the beginning of the year so that's why they look like they don't have much left. And, last but not least the Manchester Economic Development Office and Traffic Department...since they had severance packages they may end up requiring a transfer to cover the salaries expense.

Mr. Clougherty stated we came out of April looking pretty good. Everybody was supposed to be as Guy said in a certain percentage range and everybody pretty much was...then May...and if you remember May we had the floods but none of that is reflected in these numbers that you've got in front of you. So, what we're waiting for as with our discussions at the full Board about the Contingency items. As you know, the payroll runs a week in arrears so today everybody is plugging in their payroll for last week. So, we'll have a good idea tomorrow or the next day what the effects of the overtime and primarily on certain budgets...Highway, Fire and Police...we'll have some increases there. We've been tracking right along what the normal expenditures are and we know what was spent last year for overtime so we'll get an idea of how big that spike is as a result of the last two weeks and then we can make some better forecasts as to what we think the departments are going to end up with at the end of the year and which ones might need contingency transfers, if any, maybe "knock on wood" a lot of work was done during regular time and didn't require overtime and we may be better off than we think. But, until we get those numbers fed into the payroll system...the ordinary payroll process happens on Monday so we won't know until the end of next week where we are. For the current year there was no salary adjustment account and contingency was increased for just that purpose and that's why we've been somewhat reluctant...not somewhat, we've been reluctant to release the money for some of the Police items and the rust proofing until we know what's going to happen. So, we really just need to go through this week's payroll and next week's and then we should know where we are and we can make a recommendation on those numbers for you.

Alderman Smith stated I know there's \$542,000 in contingency I was wondering...Police, Fire, Highway and Parks and Recreation...is there any possibility of getting funds from the state or FEMA?

Mr. Clougherty replied a lot of this will be part of the reimbursements that we get from the state and those agencies really have the drill down pretty well. They really do a good job of collecting the information and submitting it and it's the same process as we go through when we have snowstorms. We see it a lot on snow emergencies but we really haven't seen it with a water emergency in a long time. We're in the process, we've met with the departments last week, they know

that they've got to be tracking the costs so that we can submit it to the state. The real question on reimbursement is going to be...the federal government will give us the 75%...how much the state is going to kick in is going to be a result of the process that they go through with this ascertaining how much all of this costs and how much they have available to provide for relief to the cities. So, they may come up with a smaller portion than they have in the past just because of the magnitude of the areas that were covered and their financial position. So, the book is open on what that's going to be and when that money will come in but eventually we will be reimbursed for at least 75% of it I would suspect.

Alderman Long stated a couple of things...now in contingency...the BMA at the last meeting allocated \$43,000 so we know now that it's \$499,146.

Mr. Clougherty stated again these are as of April 30th...that's the last time we closed the books for the month.

Alderman Long stated as you said...Fire and Police...Police looks like April should be at 16.5% and the Fire is at 15.7%, so what you're saying is there might be an issue with respect to the overtime there which would be coming out of contingency. Now, it doesn't appear to me that this \$500,000 will get us through...

Mr. Clougherty interjected it's not going to cover everything.

Alderman Long stated will get us through June 30th...where would it come from.

Mr. Clougherty stated the \$540,000...let's wait and see. You've had a lot of requests for adjustments but as we said, for example, there was a request from the Economic Development Office that they had made months ago that they thought was going to be \$30,000...they are not going to need \$30,000 and I think agencies have been putting in numbers as a holding point in contingency just to make sure they needed something. Whether they're going to need all of that...there might be some give and take in both areas and I think we just have to wait and see what the magnitude of this is. The \$540,000 will probably cover what we need to cover...the tradeoff will be we may not be able to do some of the expedited '07 types of things that you want to do like the rust proofing and other things this year but give us another week or so to figure out where we are and we'll try to accommodate as much as we can. Again, a lot of the work that was done for the flood was done by uniformed officers as part of their normal routines. So, we'll just have to wait and see what that number is.

Alderman Long stated with respect to Building Maintenance at 8.12% and last year they were at 6.9%.

Mr. Clougherty stated a lot of that is their contracts that they encumbered on "Day 1" and they know what they're going to be paying there...their vendors for improvements to the schools so that's why their percentage is so low. If you go back they've probably been at the same percentage since "Day 1" when they encumbered everything.

Alderman Long stated so when they start running short they just don't do some of the work and do it the following year.

Mr. Clougherty stated they have a contract and they know what they can deal with within the terms of the contract and that's what dictates that number so they've already encumbered back in June most of the contractual obligations that they have for the schools because it's all done by vendors.

Alderman Thibault stated isn't FEMA also going to be coming in. I was talking to Parks and Recreation today.

Mr. Clougherty stated that's the 75% from the federal government that I was talking about earlier, that's probably what the source is going to be.

Chairman Pinard stated Building Maintenance and the Gilbane controversy that's been going on...how does that fit in...do they owe us or are they on track as far as money.

Mr. Clougherty replied that's a separate contract that's covered under a bond and that's not reflected in these financials, that's a separate project that you see as part of CIP project reports and the balances that you get on that group of statements that Maureen gives to you everything month.

Alderman Long in reference to the health insurance stated they're at 10.8%, last year they were at 11%...that's something that has to be paid.

Mr. Clougherty stated that is why we have the reserve. We had been tracking pretty good and now we're starting to see it swing the other way so we'll see how the last couple of months are here but that's why we have the health reserve.

Alderman Long asked in 2005 was there an overage?

Mr. Beloin replied I believe we used a million dollars through the reserve.

Alderman Smith moved to accept, receive and file the City's Monthly Financial Statements as presented. Alderman Long duly seconded the motion. There being none opposed, the motion carried.

Chairman Pinard addressed item 5 of the agenda:

5. Communication from Guy Beloin, Financial Analyst II, submitting the City's Quarterly Financial Statements (unaudited) for the nine months ended March 31, 2006 for FY2006.

Mr. Clougherty stated the report we just talked to you about was for the end of April...this report is even older it's for March but it gives you a different look as a quarterly, it gives you more detailed information.

Alderman Smith stated I noticed on revenues such as in City Clerk and Economic Development they have unrecognized balance on page 7.

Mr. Clougherty stated this is a revenue report that we're looking at not the expense report and the revenue from the City Clerk does not all come in in equal installments it comes in seasonally sometimes. I know, Leo, you could probably speak to that a little more than I can.

City Clerk Bernier stated our revenues don't get recognized until April/May. Most of our licenses are due the end of April so next month you should see a whole different amount.

Alderman Long stated in reference to the same page these numbers don't reflect what's owed but is that in say Fire, for example...we're going to go to the end here and see alarms and what have you but I know that's not added to this because it hasn't been received but do we have a rough idea of what that number is?

Mr. Clougherty stated in terms of what the outstanding receivables are. That's the report that Sharon provides you on a regular basis. Again, this would have been...it's timing issues...this is the end of March...the report that you got tonight is more up-to-date so they're not going to reconcile exactly.

Alderman Long stated I wonder if we could...it would be good to know when looking at some of these numbers like Fire that at .40% and this too should be at 16.5% roughly.

Mr. Clougherty stated again the revenues are a little bit different than the expenditures...with the expenditures the reason we give them 16% is because most of the expenses of the City are salaries and as a rule of thumb they're pretty much going through that normal routine. There are some seasonal adjustments for Highway and those but it pretty much works out to an average monthly expenditure overall. With the revenues it's a little bit different. We have a lot...as Leo pointed out with his department...it's the same in all the others. We have peaks and valleys and deadlines of when people have to get in their licenses and their fees and it's not always consistent month-to-month. We could go back and do an analysis and show you by department what happens and it's better to look at these things actually in a graph form than in a chart that shows you what's been happening year-to-year because to visualize it...

Alderman Long stated that's what I was thinking. If we could get this same picture ending March 31st of '05 and then the same picture...I mean June of '05 try to match and see if they're on target.

Mr. Clougherty stated that would be easy for us to do. If you'd rather see a graph like this for the next quarterly it would show the comparison between the years called a bar graph we can try those things and if the Board likes that that's easy to do. We'll try that for the next meeting.

Alderman Long moved to accept, receive and file the City's quarterly Financial Statements as presented. Alderman Thibault duly seconded the motion. There being none opposed, the motion carried.

Chairman Pinard addressed item 6 of the agenda:

6. Communication from Sharon Wickens, Financial Analyst II, submitting reports as follows:
 - a) department legend;
 - b) open invoice report over 90 days by fund;
 - c) open invoice report all invoices for interdepartmental billings only;
 - d) open invoice report all invoices due from the School Department only;
 - e) listing of invoices submitted to City Solicitor for legal determination; and
 - f) accounts receivable summary.

Alderman Smith stated regarding the fire alarms has anybody inquired of the Fire Department about false alarms how much they cost. I know that in the schools the School Department has to pay \$7,000-\$8,000 in false fire alarms. I'm really looking into this from the school perspective. I know we have quite a bit. It's dangerous for the firemen going out, a \$500,000 piece of equipment going to all these false fire alarms. I was wondering if anybody in the City has looked into something like that...I don't know if it would be costly but somebody was telling me that he could site where he's going.

Ms. Sharon Wickens, Financial Analyst II, stated this is the first time that someone's brought up something like that to me but I can certainly follow-up with Fire to see if that's something that they thought of or want to pursue a little bit further to see what the cost would be to do that especially for some of the businesses that this is a frequent problem, it would be a good idea.

Mr. Clougherty stated check with Red Robidas too because for the public buildings there are security cameras in place and maybe an idea of programming or going back and reviewing the tapes.

Chairman Pinard stated if I recollect correctly a couple of years back there were so many false alarms they were fined but I think if you talk to Chief Albin he could give you the details for our next meeting on this because in Ward 6 I have the old Lake Shore Road Hospital which is now Easter Seals and they're almost on a daily basis...Villa Crest is two or three times a week. I think it would be a good idea for you to investigate.

Ms. Wickens stated sure.

Alderman Long stated I assume that the ones in '06...6B, page 8.

Ms. Wickens stated the Asphalt Doctor yes.

Alderman Long asked are they still in business, are we going after them.

Ms. Wickens replied that has actually been sent to the Solicitor's office. I do submit another report which has been submitted to the Solicitor's office...Asphalt Doctor was submitted to them on November 12, 2004. At that time, they were still in business whether they are today I would defer to Tom to see if they are but it is in their hands at this point.

Alderman Long asked is there a statute on any of this?

Ms. Wickens replied there is a statute of limitations...three years.

Alderman Smith in reference to page 7 at the top of the page.

Ms. Wickens stated that is paid-in-full...this did not make this report. They actually went bankrupt and they changed the name a little bit but they've come back. With this one even though it was in bankruptcy they agreed to pay it because they were doing some more work and Police was not going to issue a permit and there were going to be no permits to do any further work so they paid it in full.

Chairman Pinard stated again my recollection is a few years back we had gone through this because of the Police Department and I understand unless it's changed police officers are supposed to be paid after a days work and maybe this is something we can look into again.

Alderman Long stated Alderman Pinard brings up a good point...when are they obligated to pay?

Ms. Wickens replied they are obligated to pay after the work is performed unless they've had some type of a collection problem. This is a policy that the Police Department has set and I know they have come before this Committee before to explain why they do whatever it is they do but there were some nightclubs that they had some real problems with so they were required to pay up front for quite sometime until they went out-of-business. But, mostly, people pay after the work is performed. But, remember these are details and these officers actually take so much of their money that they get and they put it into a special fund so if someone should default on paying their bill we go back to the fund to pay it. So, the City isn't out the money they put the money aside for this and that fund has about \$100,000 right now but if most of these were to go out-of-business today we would get the bulk of our money back.

Alderman Long stated so a percentage of the charge goes into the fund.

Ms. Wickens stated it does and it's low right now...it's maybe \$3,000-\$4,000 a year that they set aside...they will increase it if they have a lot of write offs but they really haven't...the write offs have not been significant and this fund is more than covered anybody that's gone out-of-business for details.

Mr. Clougherty stated the extra details wouldn't be at risk.

Chairman Pinard asked could we have somebody from the Police Department at our next meeting to explain...we're trying to help them and maybe a wake up call that this Committee is interested in revenues.

Alderman Smith in reference to page 28 we have a utility here...the unpaid amount is over \$3,000.

Ms. Wickens stated that's Airport...that's a relatively recent bill in their standings of what they have...theirs are kind of funny. Actually, Mike Farren the Airport Director of Finance is here tonight. If you remember he did speak to you briefly at the last Committee meeting when he was prepared to talk about his receivables again in more depth if you wanted to...he just wanted me to mention that.

Alderman Smith that no I was just surprised at the utility.

Ms. Wickens stated a lot of the receivables to go well over 90 days and they don't just have contractual things...Verizon usually does pay though.

Ms. Wickens stated Mike says they're paid now.

Alderman Long asked when did they pay and what's the process as far as taking them off this list?

Ms. Wickens replied this report was actually printed, I believe, on May 8th and then the Committee meeting was pushed again a week so it's really been a good two weeks like the other company that Alderman Smith had mentioned. I had quite a few big ones on here that have actually made payments since the report so I've made myself little notes in case they were to come up. Again, if you'd like Mike to speak on the Airport ones I'm sure he'd be happy to. I would like to mention one thing, Alderman Long. You were talking about the revenues that were coming in the reports...the receivables that I put out here and if you could see at a snapshot of the departments and what they're owed. I do provide you with a legend each Committee meeting that would have the department number so, for instance, Fire Department is number 30 and if you looked at the total receivables you would see that they have a little over \$11,000 that is outstanding at this point in time...that way you could kind of look at guy's report and say oh and just cross-reference them.

Alderman Long stated there's a total too at the end.

Ms. Wickens stated there is a grand total of all of the receivables but Airport is a huge piece of that, so keep that in mind and they usually collect the bulk of it but it's not within the 90 days and that's why it's still out there.

Mr. Clougherty stated that's just the nature of their business.

Alderman Smith in reference to the accounts receivables Solicitor's submission... we have 16 employees and I always bring this up... Workman's Comp... it's \$1,000 and the same thing is occurring if four or five... we have to get this collected somehow. I know we've got a handle on other departments but I don't think we have it with the Highway Department.

Ms. Wickens stated I think they're doing things a little bit differently now in Human Resources so these are the older ones that have been a problem. Because it's paid later there are a lot of rules that the state has as to how we can proceed to collect this money and that's why they are in the hands of the Solicitor's office because I don't want to make mistakes when I try to collect it. Tom, I don't know if you want to speak more on Highway.

Deputy City Solicitor Arnold stated I couldn't speak to Highway specifically other than to say that we do follow-up on them. Sharon is right that there are a number of rules... sometimes we're dealing with unions and union reps in an attempt to collect these funds but we will follow-up on it.

Alderman Smith stated I'm on the Safety Review Board and we've been discussing Workmen's Comp claims as being awfully high. I realize they do a lot of work, heavy work and so forth but should be able to pay his bills.

Ms. Wickens stated I would actually like to attend if it was on there to hear how we could try to collect some of these because this has been kind of a thorn in our side for quite some time.

Alderman Smith stated all right then if you don't mind I'll talk to Kevin O'Neil and see if we can... we usually meet the first Thursday of the month but I'll check with him because members are getting ready to go on vacation.

Ms. Clougherty stated we could maybe pull out some special report to show the trend and what the difference in and might highlight what you're trying to make a little bit easier than these reports.

Alderman Long stated I noticed all of these are former employees has that historically been the case?

Ms. Wickens replied not always. Believe it or not we do have several people that would be within the City that haven't paid and are still with the City. Maybe not this department and they haven't necessarily been sent away because they're still trying to collect on them but there are some that we have had to write off that were still within the City, live in the City.

Alderman Long stated it's safe for me to assume that this has been going on for some time.

Ms. Wickens stated it's been going on since I've been here for eight years so I would assume so. I've tried to do different things...talk to private industry...how do they handle it but again there are so many rules that the state has to try to... everything is in their favor and we've got to be very careful how we get this money, it's a real touchy subject and we are working on it. When was the last time we met on this, it can't be too long ago that we tried to come up with different ways to collect on these people.

Deputy City Solicitor Arnold stated it was probably two or three months ago.

Ms. Wickens stated we just keep coming to a standstill we're not getting anywhere and the unions are not helping us at all.

Mr. Clougherty stated the best approach is prevention...if we can go out and do some things to try and get policies and procedures to limit this that would be the best approach.

Alderman Long asked do we know the percentage...let's go back five years...the percentages that we have been reimbursed because I'm looking at a lot of AEX's.

Ms. Wickens stated regarding this particular department that is on here is really high, it's their union attorney tells these people do not pay and they're listening to their attorney and they will not pay and that's where we...you kind of have to take them to court. But, do you want to take them to court for \$92.11 and then we've got to say that maybe we've got to write it off but we've kind of kept them out here hoping we can come up with some happy medium to try and collect some of this but it just doesn't look good right now.

Alderman Long asked is there a statute of limitations on reimbursement?

Ms. Wickens replied I would imagine that there's three years but didn't we kind of...we were talking about this, we have been pursuing it. So, is it three years if we've been in contact with them, it's not that the bill is three years old and they didn't know about it, they've known about it so it's kind of a gray area, so we kind of kept it out there.

Deputy City Solicitor Arnold stated the statute of limitations would be three years but some of these cases...I don't know about the specific ones on the list...we have brought intentions.

Mr. Clougherty stated before we leave the receivables area I'd just like to update you on where we are with respect to the audit finding to try and bring on some of the receivable modules. We updated as I said to last meeting...we've updated the matrix and have gotten a better description of what the modules are addressing in terms of volume and in terms of seasonality...we've gotten those responses from the departments, it's been provided to Information Systems and passed along to the vendor...the vendor is now looking at that and should be getting back to us hopefully for the next meeting with a better pricing idea and timing idea of when we could bring some of those on-line. So, that's the status of where that is.

Alderman Smith stated regarding receivables have you got a reply back from the Retirement Board regarding letter of the twelfth.

Mr. Clougherty stated the Retirement board met last Friday and they are pulling together the information. Some of the information, for example, like transcripts...they don't transcribe them but they have them on tape so they are going to make arrangements for that. They are trying to get us the information and working toward that.

Alderman Long stated your last statements were in reference to the HTE coming on-line with the other departments...there's five of them I believe in there.

Mr. Clougherty stated in that range, I think.

Alderman Long stated thinking that at the next meeting possibly there will be some resolution as to how we could get them on Board.

Mr. Clougherty asked is there any low-hanging food here or how much does this cost, timing because the department's have given everything they were asked for, it's been summarized on a matrix and been provided to Information Systems and now they were going to take it and run with it with HTE and try and figure out what was the best way to deal with that. So, we'll look to the next meeting.

Alderman Smith moved to accept, receive and file the reports as submitted. Alderman Thibault duly seconded the motion. There being none opposed, the motion carried.

Chairman Pinard addressed item 7 of the agenda

7. Communication from Maureen Cail, Accountant II, submitting CIP project balances as of March 31, 2006.

Ms. Maureen Cail, Accountant II, stated I don't have anything to address or highlight at this particular time, so I'll leave it open to any questions that you might have.

Alderman Smith in reference to department 500 (Highway) the project balance for downtown repairs is \$40,000 on page 2 project 710805 Downtown Infrastructure Repairs – Cash...there's \$40,000 in that balance do you know if the CIP has allocated that money to any other place I really think it should go downtown right out here in City Hall Plaza.

Ms. Cail stated they have until June 30th to spend the money; that would be the stop date and whether it gets extended or moved for some other purpose I'd have to defer to the Planning Department.

Mr. Clougherty asked do you want us to call and see if they're planning to spend that and if they could direct it to the downtown area.

Alderman Smith stated the downtown sidewalks I would say they're a necessity because those red or concrete bricks are deplorable...it's tough walking out there.

Mr. Clougherty stated we can follow-up on that.

Alderman Long stated on the same page the drop date is 12/31/2005 for Greenstreets...it has a note to extend the date at the next CIP meeting...has that been extended?

Ms. Cail stated I believe it was extended at the last CIP meeting but I haven't gotten the updated budget authorization with the BMA's stamp on it yet.

Alderman Smith in reference to page 8 department 210 (Building) to School Park Improvement/Gill and there's a balance in there of \$7,704.27 but they've got until June to use it...it's a bonded project.

Ms. Cail stated I'm not sure on that one I would have to check with the administering department on whether that's going to be spent or not.

Mr. Clougherty stated sometimes on these projects what's held back is a retainage number and it gets released once the administering department like Highway signs off that all of the work has been done. But, we can go back and check on that one as well and let you know.

Alderman Smith stated one last one...the minor league baseball stadium...I imagine that Highway and Frank are still holding that up.

Ms. Cail stated that was closed out in May...this was through March.

Alderman Smith stated they resolved their differences.

Ms. Cail replied yes.

Alderman Long moved to accept, receive and file the CIP project balances report as submitted. Alderman Smith duly seconded the motion. There being none opposed, the motion carried.

There being no further business to come before the Committee, on motion of Alderman Smith, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee